



**Comptroller General
of the United States**

Washington, D.C. 20548

Decision

Matter of: Jo-Ja Construction, Ltd.

File: B-261741

Date: October 25, 1995

Joseph A. Camardo, Jr., Esq., for the protester.

Maj. Michael J. O'Farrell, Jr., Department of the Army, for the agency.

Wm. David Hasfurthur, Esq., and John Van Schaik, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Where a bid containing an erroneously expressed item coefficient percentage factor indicates on its face that the mistaken factor of 1.02 was reasonably intended to be .02 (a conclusion ratified by the other bids received, the national average for this factor, and the contracting officer's experience and reason), that bid may be corrected to reflect a .02 factor even though it displaces the original low bidder, and award may be made on the basis of the corrected bid.

DECISION

Jo-Ja Construction, Ltd. protests any award of an indefinite delivery/indefinite quantity contract to R.L. Bates General Contractor under invitation for bids (IFB) No. DAHA30-95-B-0002, issued by the United States Property and Fiscal Officer for New York (the Departments of the Army and the Air Force, National Guard Bureau) for maintenance, repair, and minor construction at Hancock Field, Syracuse, New York. Jo-Ja contends that Bates was improperly permitted to correct its bid which displaced Jo-Ja's low bid.

We deny the protest.

Rather than bids for fixed dollar amounts, the IFB required bidders to submit coefficient percentage factors for each of five items of work: 0001, repair, maintenance, and construction projects; 0002, overtime work performed for item 0001; 0003, highway, water, and sewer line projects; 0004, overtime work performed for item 0003; and 0005, bond premium for projects costing \$25,000 or more. Under the contract, the agency will issue delivery orders for projects to be performed. Prices for the individual delivery orders will be established by multiplying the coefficient percentage factors bid by the awardee by the prices for the specified tasks as listed in the current edition of a standard pricing guide.

Under the IFB, the low bid was to be determined by multiplying the factors submitted for item 0001 and item 0003 by 98 percent, the factors submitted for item 0002 and 0004 by 2 percent, and the factor submitted for item 0005 by 100 percent. The combined results were to constitute the bidder's total aggregate coefficient, and award was to be made to the bidder submitting the lowest total aggregate coefficient.

Fourteen bids were opened on June 1, and Jo-Ja's bid was determined to be low, with a total aggregate coefficient of 1.92. Based on its bid as submitted, Bates's total aggregate coefficient was 2.9184. After further examination of the bids, the contracting officer determined that seven of the bidders had made apparent mistakes in their coefficient percentage factors for item 0005. They had submitted coefficient factors greater than "1," i.e. with a number in front of the decimal, which would result in a bond premium amount greater than the amount of the delivery order. Only the two bidders who might become eligible for award if the mistake were corrected were requested to verify their item 0005 bids. Bradley and Williams Inc., which had bid a factor of 1.5, stated that the decimal had been misplaced, and the factor should have been .015 (1.5 percent). Bates replied that it had averaged two premiums on assumed dollar values of delivery orders to reach 2 percent and that the factor it intended to bid was .02, not 1.02. The contracting officer allowed both bidders to correct the factors bid on item 0005 on the basis that the errors made had been clerical. Correction of item 0005 by Bradley and Williams (as well as correction of two other items it had bid) made it third low. Correction of Bates's bid made Bates the low bidder, displacing Jo-Ja.

We believe that correction of the Bates bid would be proper. Under Federal Acquisition Regulation (FAR) § 14.406-2, a contracting officer is authorized to correct a clerical mistake apparent from the face of the bid. Technical Support Servs., Inc., B-232488, Nov. 9, 1988, 88-2 CPD ¶ 464. When a mistake is other than clerical, correction of a bid price where the correction displaces a lower bid is permissible where the correction represents the only reasonable interpretation of the intended bid and the intended bid is substantially ascertainable from the bid itself or on the basis of logic and experience and not from information extraneous to the bid. FAR § 14.406-3(a); Mayrant Constructors, Inc., B-215274, June 11, 1984, 84-1 CPD ¶ 617; DaNeal Constr. Inc., B-208469, Dec. 28, 1982, 82-2 CPD ¶ 584; AlliedSignal Avionics Inc., B-258457, Jan. 20, 1995, 95-1 CPD ¶ 192.

The agency found that Bates' coefficient percentage factor for item 0005 of 1.02 was a mistake. In support of its position, the agency explains that no bidder would have intended to bid a bond premium of more than 100 percent of the cost of the work to be performed. Further, the agency notes that the national average bonding

coefficient for this type of contract was .0243 as of March 1995 and that bidders whose item 0005 factor was not greater than 1.0 submitted factors ranging from 0 to .03, with most bidding within a range of .0111 to .0175.

The agency further concluded that Bates intended a factor of .02 rather than 1.02. The agency explains that examples of coefficient percentage factors in the IFB appear to have caused Bates, and six other firms, to incorrectly place a number in front of the decimal point on item 0005—in the case of Bates, a "1" in front of its intended .02 factor. The only examples of coefficients in the IFB show them with a "1" or "2" in front of the decimal.¹

We agree that the bid of Bates and the other bids with a coefficient percentage factor for item 0005 of greater than 1.0 contained a mistake, as no bidder realistically would bid a bond premium of more than 100 percent of the cost of the work to be performed. We further agree that under the circumstances, the contracting officer could reasonably conclude that Bates and other bidders were simply confused by the coefficient examples set forth in the IFB and misapplied those examples to the item 0005 factor with Bates believing for example, that a 2-percent factor for item 0005 should have been represented as 1.02. That being so, it is clear that Bates inadvertently placed a "1" before the decimal while intending to bid a factor of .02. Such a factor would be entirely consistent with the factors bid by the other bidders and is in line with the reported bonding coefficient average.

¹The IFB states:

A coefficient represents a firm, fixed-price by the contractor. . . .
Here are some examples of coefficients:

1.25 - means that the contractor's indirect costs, profit, and contingencies are 25% of bare costs (direct costs).

1.50 - means that the contractor's indirect costs, profit, and contingencies are 50% of bare costs.

2.00 - means that the contractor's indirect costs, profit, and contingencies are 100% of bare costs.

Thus, we think that the intended bid, on the basis of logic and experience, was substantially ascertainable from the bid itself. Accordingly, correction of the bid is not legally objectionable.

The protest is denied.

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